

A METHOD AND SYSTEM FOR AUTOMATED BID ADVICE FOR
AUCTIONS

ABSTRACT OF THE DISCLOSURE

5 The present invention provides an automated estimation and optimization solution for selecting the optimal bid for an item in an auction. The characteristics of the auction are selected (e.g., auction format, reserve price). A relevant bidding model, based on the characteristics of the auction, is selected. The structure of the auction is estimated based on the relevant bidding model. A bid 10 function is determined based on the auction structure and user inputs regarding the item being bid on and the characteristics of the rival bidders. An optimal bid is determined based on the bid function and user-defined evaluation criterion. An embodiment of the present invention provides a method and system that determines the latent elements of the auction environment taking into account the strategic and 15 information conditions with minimal assumptions on the distributions of unobserved random elements. The present invention allows a bidder to estimate the unobservable private signals of rival bidders and to determine the optimal bid the bidder can employ to optimize their evaluation criterion.